

# Regional Economy

**Regional Economy:** Regions are economic engines. Metropolitan regions in the U.S. contain 84 percent of the population and generate 91 percent of GDP. In Arizona, Greater Phoenix represents 60% of the state's population and 75% of the state's GDP.

### Gross Domestic Product

- Greater Phoenix is 15<sup>th</sup> largest metropolitan economy in the country.
- It was also among the fastest growing economies. Between 1980 and 2009, it grew 345%.
- Productivity growth was higher than average of all U.S. metro regions (1980-2009)
- Population growth accelerated services, construction, and retail (1 in 4 jobs )
- Export-oriented manufacturing contracted.

### Job Growth Falls During the Recession

- 2nd in the nation in 2006
- 49th in the nation in 2009
- 32nd in the nation in 2011 (CA is 24th, WA is 25th, OR is 16th, UT is 5th, CO is 30th, TX is 3rd)
- Traditional drivers of growth, in-migration and construction, collapsed and will not recover for years.

### Slow Economic Recovery

- Economy lost more than 325,000 jobs since peak.
- Major industries lost jobs except healthcare and education.
- Productivity is below average for all metropolitan areas.
- Construction, real estate, and retail jobs to lead recovery (1 in 3.5 jobs).
- Recovery estimated not until 2015.

### Wages and Income

- In 2009, the region's real average annual wage was 9.1% lower than the average annual wage of the largest metros.
- Real wage growth from 1980 to 2009 was also significantly lower than the average real wage growth for the 100 largest metropolitan areas.
- Output per worker, a driver of real income growth, also lagged metropolitan averages.

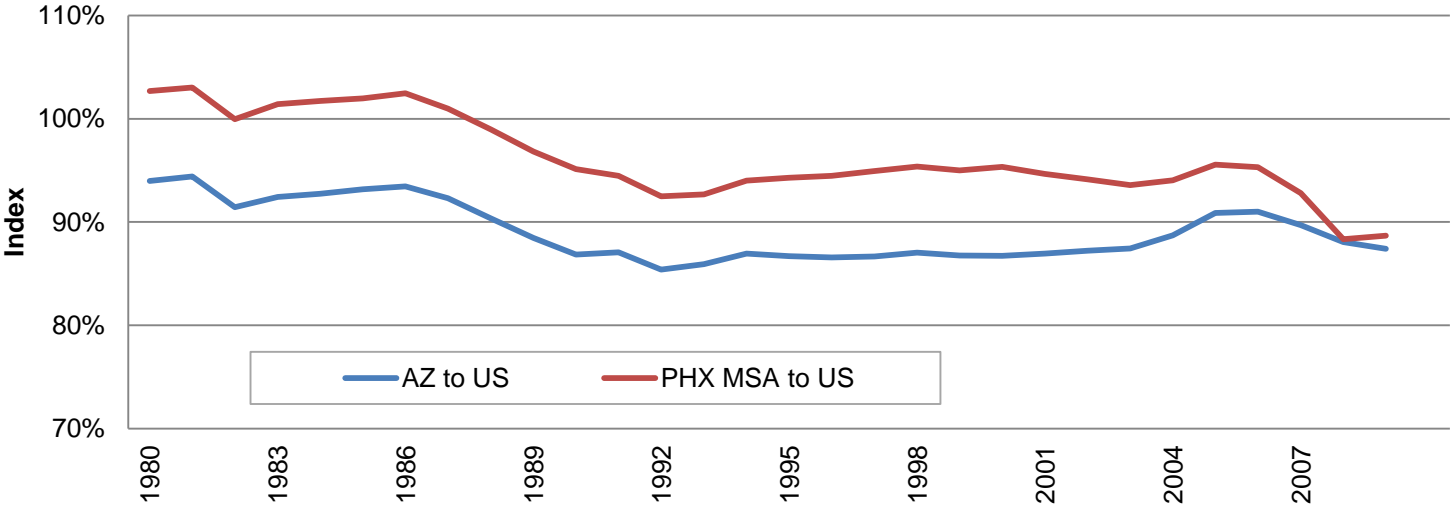
### Retain Clusters and Capture New Market Opportunities

- Retain export base,including aerospace, high-tech industries
- Targeted renewable energy policy created industry cluster in renewable energy.
- Catalyze local market innovation and the commercialization of emerging technology
- Expand clean-tech industry, which is expected to grow by 85% over the next decade.

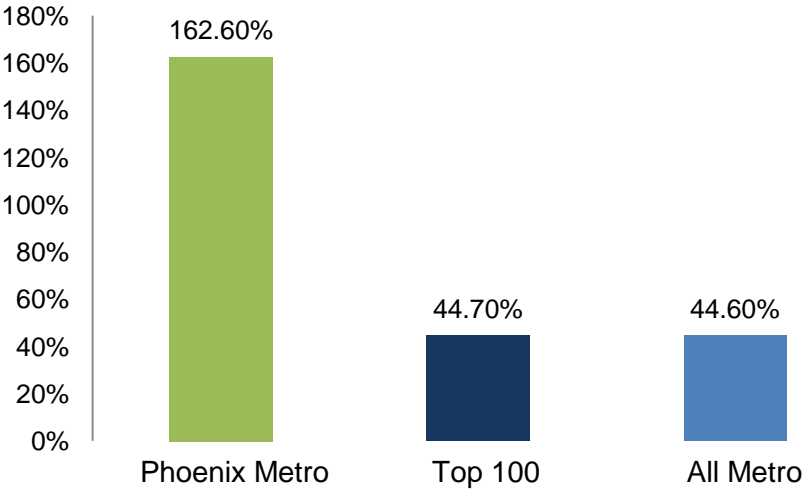
Real GDP by Metropolitan Area, 2007-2010

	2007	2008	2009	2010	2008	2009	2010	Rank*
U.S. Metros	11,839,160	11,796,552	11,503,904	11,794,809	-0.4	-2.5	2.5	....
Austin	74,536	77,059	76,698	82,043	3.4	-0.5	7.0	13
Portland	114,726	121,895	116,182	121,680	6.2	-4.7	4.7	37
Dallas	340,562	342,301	338,586	347,161	0.5	-1.1	2.5	140
Seattle	209,300	212,513	205,999	209,908	1.5	-3.1	1.9	190
Salt Lake City	58,701	59,478	59,050	60,157	1.3	-0.7	1.9	193
Albuquerque	33,413	33,229	34,903	35,483	-0.5	5.0	1.7	208
San Diego	156,874	158,515	153,871	155,304	1.0	-2.9	0.9	258
Phoenix	186,087	182,686	172,172	173,371	-1.8	-5.8	0.7	274
Riverside	107,369	103,874	98,152	97,609	-3.3	-5.5	-0.6	328
Las Vegas	92,086	88,439	81,839	80,291	-4.0	-7.5	-1.9	355

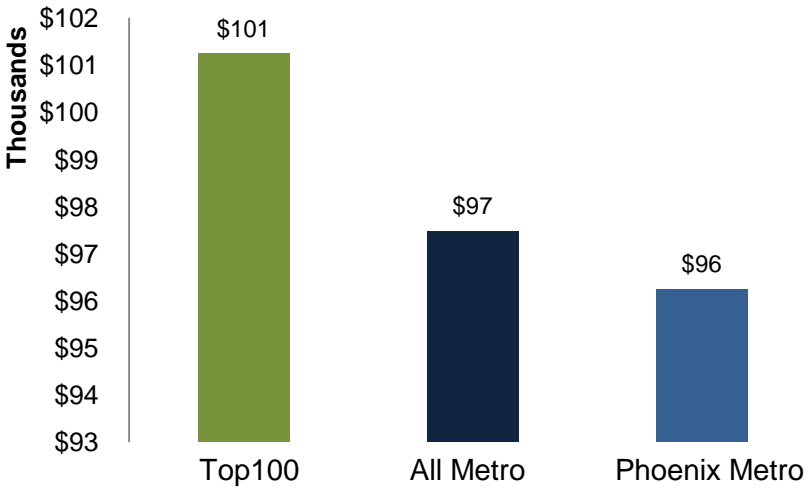
Per Capita Personal Income vs U.S.



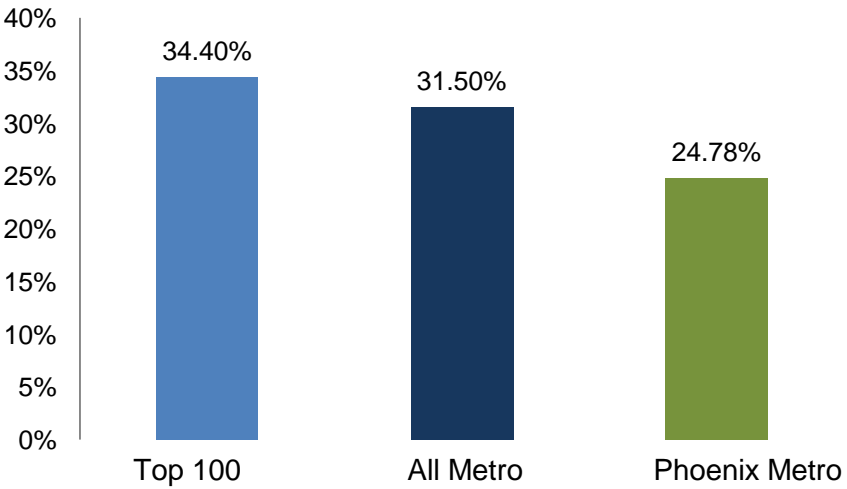
Employment Growth (1980 to 2009)



Output Per Worker (2009)



Real Wage Growth (1980 to 2009)



Productivity Growth (1980 to 2009)

